Appendix 13

No. 30

Page 206.—

Insert the following as Appendix 13 :—

APPENDIX 13

Rules for the distribution of Establishment and Tools and Plant Charges

Note.—These rules should be considered to be in force from 1st April 1925.

1. The accounts of Establishment and Tools and Plant charges are kept on the following principles :—

(*i*) The charges of a division or special office are, as a rule, met out of a single major head in the first instance.

(*ii*) Before closing the accounts of the year, the Audit office apportions the charges of the whole province amongst the major heads to which the cost of the works was charged.

(*iii*) In certain cases where this annual adjustment is unsuitable recovery of cost is effected in the accounts of the divisions concerned from time to time, by the levy of percentage charge.

(*iv*) Otherwise, the shares pertaining to individual works are not determined except for the purposes of certain *pro forma* accounts.

2. The establishment charges of a division or of a special office should, in the first instance, be classified under the minor head " Establishment " of the major head under which the division or office is classified for this purpose. The same major head should bear, in the first place, the charges for the ordinary tools and plant of the division, under the minor head " Tools and Plant."

3. As an exception to the foregoing rule, the undermentioned special establishments should be charged as indicated below :—

(*i*) Purely revenue establishment (Deputy Collectors, Zilladars, Amin, etc.) employed entirely on the management of irrigation, navigation, or drainage, and assessment, etc., of connected revenue : To the sub-division " Working expenses " of the major head " XIII-Irrigation, Navigation, Embankment and Drainage Works for which Capital Accounts are kept " or to the major head " 15-Other Revenue Expenditure financed from Ordinary Revenues," as the case may be.

(*ii*) Establishment employed on large irrigation surveys for new projects. To the surveys concerned under the head " 15-Other Revenue Expenditure financed from Ordinary Revenues—Miscellaneous Expenditure. "

(*iii*) Establishment employed on famine relief works : To the head " 43-Famine Relief and Insurance—A-Famine Relief."

(*iv*) Establishment employed in workshops of a *quasi*-commercial character : To the workshop concerned under the major head under which its maintenance charges may be classified.

4. The cost of special tools and plant, *i.e.*, tools, plant, machinery, etc., obtained to meet the special requirements of a particular work or project,

and of a nature not usually to be found in the general stores of the province, should be treated as a direct charge to the work or project, and not classified under the minor head "Tools and Plant." Similarly, tools, plant and machinery required for a workshop of a *quasi*-commercial character should be charged direct to the accounts of it.

Note 1.—In case of doubt, the Chief Engineer will decide whether any item of tools and plant should be classified as ordinary or special.

Note 2.— The cost of Tools and Plant required for use on Famine Relief should be treated as "Special" and classified in accordance with Rule 4 above.

5. Recovery of the cost of establishment and tools and plant should be made at percentage rates (21½ per cent. for Establishment and 1½ per cent. for Tools and Plant) in the following cases up to 31st March 1925 :—

(*a*) Work done for Public Works divisions of other provinces.

(*b*) Work done occasionally for Railways, Military Works Services, Posts and Telegraphs or the Archæological Department.

(*c*) Work done for all other Departments, when the cost is chargeable to those departments.

(*d*) Non-Government works.

After April 1925 the percentage charges will be examined and readjusted, if necessary, at quinquennial intervals in consultation with the Accountant-General.

Note 1.—An additional charge of 1 per cent. should be recovered in respect of works of the classes referred to in items (*b*) excluding the works of the Archæological Department and (*d*) of paragraph 5 and credited to the major head "23-Audit" to cover the cost of audit and accounts establishment. In the case of works carried out for Local Boards and Municipalities, however, the additional charge of 12½ per cent. (24-11½) should be recouped to those bodies by making grants-in-aid of equivalent amounts. This procedure is necessary in order that Public Works Department supervision charges (actuals) should show the true percentage in regard to works. The percentage charges at the rates prescribed above should also be levied on all contribution works commenced after 9th February 1918.

Note 2.—Charges on account of establishment and tools and plant should in the cases of works to be executed after 1st April 1927 be adopted at 24 per cent. for establishment and 3 per cent. for tools and plant (in lieu of 21½ per cent. for establishment and 1½ per cent. for tools and plant).

6. As an exception to paragraph 5, the establishment charge on new supplies and repairs of barrack furniture of the Military Works Services is fixed at ten per cent. on the outlay.

7. Public Works Department divisions in the Bombay Presidency should not charge each other percentage charges. If Irrigation and Roads and Buildings are ever separated or budgetted for entirely separately, the levy of Establishment and Tools and Plant will be necessary and can be arranged for, when required.

Note.—An exception is, however, made in the case of expenditure incurred on works of the Lloyd Barrage and Canals Construction Project by the Executive Electrical Engineer who should charge the usual percentage charges on such outlay.

8. Charges for the preparation and scrutiny of plans and estimate on behalf of private bodies or Municipalities, etc., should be levied at 2½ per cent. and 1¼ per cent. respectively, of the estimated cost.

Where a building or structure is to be inspected during construction and passed after construction by the Public Works Department, the charges should not exceed 5 per cent. The Superintending Engineers of

No. 287

Page 206, Appendix 13 (inserted by correction slip No. 30 dated 19th October 1927), Rule 9—

Insert the following as " Note 2 " to Rule 9, the " Note " inserted by correction slip No. 246 dated 25th April 1931, being numbered " Note 1" :—

" *Note* (2).—In cases where it is proposed to give financial assistance to a local body for work to be executed on its behalf, the procedure, indicated in paragraph 458, Note 1, Public Works Account Code, should be adopted, instead of giving a cash grant-in-aid. According to this procedure, the Government share of the expenditure will be debited to the minor head " Grant-in-aid ", under the major head concerned, and automatically excluded, while calculating the rebate admissible on the local body's share of the outlay on the part contribution work."

(G.R., P.W.D., 777 dated 9th April 1931.)

(Correction No. 287, Financial Publication No. I. dated 18th July 1931.)

No. 227

Page 206, Appendix 13, inserted by correction slip No. 30 dated 19th October 1927—

Number the existing Note below rule 11 as "Note 1" and *insert* the following as "Note 2":—

"*Note 2.*—Where land has to be acquired for a non-Government work, separate estimates should be prepared of the cost of acquisition and of the cost of the work, and the cost of each should be separately recovered so that the expenditure on the acquisition of land should not pass through the books of the Public Works Department. If this procedure is adopted, no Establishment charges will be raised against the party concerned on account of the cost of acquiring land, and it will merely be required to pay the charges incidental to the acquisition by the Collector."

(G.R., P.W.D., 366/27 dated 21st July 1930.)

(Correction No. 227, Financial Publication No. I, dated 8th November 1930.)

Circles are empowered to fix the exact percentage to be charged according to the amount of supervision and inspection necessary.

If the plans of the buildings have been sanctioned prior to commencement of construction, the 5 per cent. should include 1¼ per cent. for scrutiny of plans and estimates. The maximum percentage to be recovered for both scrutiny and supervision is 5 per cent.

Note.—Charges for the preparation of plans only or estimates only on behalf of private bodies or Municipalities, etc., should be levied at 1¼ per cent. of the estimated cost.

9. The prescribed percentages should not be levied in the case of irrigation contribution works and repairs, provided that the works outlay in each individual case is less than Rs. 1,000. In the case of other non-Government works costing less than Rs. 1,000, applications for the remission of the prescribed percentages should be submitted for the sanction of Government. Remission of the charge is not permissible in the remaining cases, as such aid as it may be desired to give to a local body in the construction of a work in which it is interested is usually given separately in the form of a cash grant-in-aid.

10. For work done in workshops, which are of a *quasi*-commercial character, percentage charges are leviable in all cases, *i.e.*, even when work is done for public works divisions of the Province. The rates will be fixed by Government (*vide* paragraph 437 of the Public Works Account Code) and so regulated as to include 1 per cent. for audit and accounts establishment even in the case of jobs for other Divisions or Departments both of the same province and of other provinces, but such recoveries should not be credited to "23-Audit" except in the cases referred to in the opening portion of the note to paragraph 5 above.

11. The percentages referred to above are leviable on the actual outlay booked in the accounts, *i.e.*, on the net outlay in case there are any refunds or writes-back. No item of expenditure should be excluded from the levy on the plea that it involved little or no departmental supervision, etc., but the prescribed percentage charges for tools and plant should not be levied in the case of non-Government works on which tools and plant of the Department are not used.

Note.—Under this rule, even the cost of land acquired through the Civil Department is not exempt when it is adjusted in the divisional accounts as part of the cost of a non-Government work; but, if the estimate for the work does not include the cost of the acquisition of the land and this cost is not passed through the Public Works Accounts, no percentage charge is leviable on account of it.

12. Special cases not covered by the above rules should be considered on their own merits.

13. Recoveries made in accordance with the above rules should be classified as indicated in clause (*c*) of statement E of Appendix 4, to Public Works Account Code, the adjustments being made in the accounts of the divisional officer whenever the cost of work done is adjusted by charge to the deposit, remittance or other account concerned.

14. Recoveries on account of services rendered by Special Officers, other than Chief and Superintending Engineers, do not appear in the accounts of the Divisional Officer in cases in which there is no work

expenditure, *e.g.*, fees for advisory work. Such fees should be paid direct into the treasury, to be credited to the head of account which bears the cost of the establishment of the Special Officer concerned, so that the cost of that establishment may be correspondingly reduced, before it is distributed over circles of superintendence, as prescribed in paragraph 17 (*a*).

15. In the case of large surveys for new projects of Irrigation, Navigation, Embankment and Drainage works, for which special establishment is entertained, an addition of 5 per cent. to the cost of this establishment should be made in the Audit office to cover the supervision charges thereon.

Note.—This rule applied also to workshops of a *quasi*-commercial character and to famine relief works, but the rate of charge will be even less than 5 per cent. in consideration of the special features of each case and will be decided by Government.

16. Thus, when the accounts of the year are about to be closed, the charges detailed below will represent the residual charges to be apportioned to the several classes of works executed in the year, other than those for which either percentage charges were levied in accordance with the above rules or special establishment was employed (paragraph 5). This appointment will then be made in the Audit office as indicated in paragraphs 17 to 19 :—

(*i*) Net charges booked under the minor head "Establishment." (*ii*) Gross charges booked under the minor head "Tools and Plant." (*iii*) *Minus* the recoveries (on account of tools and plant charges) referred to in paragraph 11, whether credited to "recoveries of expenditure," "recoveries on revenue account" or receipts and recoveries on capital account.	Under several major heads.

Note.—The rules of apportionment apply also to work done for Railways, Military Works Services, Posts and Telegraphs and the Archæological Department, when work of these Departments is carried on in any circle of Superintendence as a standing arrangement. For work done occasionally for these Departments see paragraph 5.

17. (*a*) The establishment charges to be distributed *pro rata* will be:—

The sum of residual establishment charges (*vide* paragraph 16) in each circle of Superintendence, *plus*—

(1) A share of the Chief Engineer's establishment equally distributed over all the circles.

(2) A share of the establishments of Consulting Architects and other Special officers, whose jurisdiction extends beyond a single circle of superintendence, equally distributed over all the circles.

(3) A share of the leave salaries paid in England (as booked under the detailed head "Establishment" of the minor head "*Deduct* English cost of Stores and Establishment" subordinate to the several major heads) distributed over all circles in the manner indicated in (1) above.

Minus.—The special charges for establishments adjusted separately under paragraph 3 in each circle.

(*b*) The tools and plant charges to be distributed *pro rata* will be the sum of residual charges (*vide* paragraph 16) in each circle excluding the charges booked under the major head " 43-Famine Relief and Insurance—A-Famine Relief. "

18. The *pro rata* distribution of the establishment or tools and plant charges determined under the rules in paragraph 17 should be made thus—

I. *For purely irrigation or mixed Irrigation and Civil Works circles of superintendence—*

(*a*) The divisible establishment or tools and plant charges of each circle should be divided among the several Major heads operated on (paragraph 16) in proportion to the works expenditure under each head.

(*b*) No items of works expenditure recorded finally under the major head concerned should be excluded.

(*c*) But in order to allow for the cost of supervising the work of the purely revenue establishment mentioned in paragraph 3, the works-expenditure under the major heads " XIII " and " 15 " should for the purpose of *pro rata* distribution of establishment charges, be doubled, and the extra establishment charges to these heads on this account should be debited as Revenue establishment charges under " XIII " and " 15. " This procedure assumes that the work of the executive branch is equally divided between maintenance and revenue.

II. *For circles of superintendence in which the only work executed falls under the Civil Works branch of the department—*

(*a*) The divisible establishment or tools and plant charges in all the circles combined should be distributed *pro rata* over the various major heads concerned (paragraph 16) on the basis of the works expenditure in all the circles combined.

(*b*) No items of works expenditure recorded finally under the major head concerned should be excluded.

Note.—The debit to " 41-Civil Works " under this rule should be again distributed *pro rata* between " 41-Civil Works, Provincial " and " 41-Civil Works, Central. "

19. The " Joint Revenue Establishment " " XIII " and " 15 " of a circle, or other unit of distribution, should also be distributed between the major heads " XIII " and " 15 " *pro rata* on the works outlay under the two heads.

20. Finally, an additional charge of 1 per cent. to cover the cost of audit and accounts establishment, should be levied on work done for Railways, Military Works Services and Posts and Telegraph Departments, when works of these Departments are entrusted to the Public Works Department as a standing arrangement.

21. The apportionment should not be carried further in regular accounts, but in the *pro forma* (Administrative) accounts of individual productive or unproductive projects of Irrigation, Navigation,

No. 269

Page 206, Appendix 13 (inserted by correction slip No. 30 dated 19th October 1927)—

Substitute the following for the concluding sentence of rule 22 inserted y correction slip No. 115 dated 23rd November 1928 :—

"Such provision should, however, be made in the project estimates for irrigation works for administrative purposes and also in estimates for works classified under the head '60-Civil Works not charged to Revenue'."

(G.R., P.W.D., 5283/27, dated 11th February 1931.)

(Correction No. 269, Financial Publication No. I, dated 18th July 1931.)

206, Appendix 13 inserted by correction slip No. 30 dated 19th October 1927—

ert the following as rule 22 in this Appendix :—

'22. For purposes of audit, or of allotment of funds, it is not necessary to include in the estimates for individual works, any provision on account of establishment and tools and plant charges, unless percentage charges are leviable, under the rules, on actual works expenditure. For administrative purposes, such provision is, however, made in the project estimates for irrigation works."

(F. D. File 2734/19—9713.)

(Correction No. 115, Financial Publication No. I, dated 23rd November 1928.)

Embankment and Drainage Works, prepared annually by the Accountant General, suitable additions to the outlay on the projects should be made to cover the cost of establishments and ordinary tools and plant. On the basis of the figure of the establishment (or tools and plant) charges in each circle, or other unit of distribution as finally booked under the major head concerned, should be determined the percentage (to four places of decimals) which that figure bears to the total works outlay finally booked under that head in the unit concerned. The establishment (or tools and plant) charge on account of each project under that head should then be calculated by multiplying the works outlay on the project by this percentage.

Note.—In the Administrative Accounts of Irrigation, Navigation, Embankment and Drainage Works an indirect charge of 1 per cent., on account of audit and accounts establishment, should be levied on the works expenditure of the year.

(Correction No. 30, Financial Publication No. I, dated 19th October 1927.)